

APPEARED

A13.

WASHINGTON POST
28 February 1986

IRS to Charge Chin Estate \$200,000 in Taxes, No Fines

By Caryle Murphy
Washington Post Staff Writer

The estate of convicted spy Larry Wu-Tai Chin will be responsible for paying the Internal Revenue Service about \$200,000 in back taxes, but will not be assessed for criminal fines, federal officials said yesterday.

Chin, a former CIA analyst, committed suicide in his Prince William County jail cell a week ago while awaiting sentencing on his Feb. 7 conviction on 17 counts of espionage, conspiracy, tax evasion and failing to report overseas bank accounts.

He faced a maximum penalty of two life sentences, plus 83 years and \$3.3 million in criminal fines.

However, criminal fines cannot be levied against Chin's estate, said Justice Department spokesman John Russell. They can be imposed only on individuals, he said.

Chin's son Homer said yesterday that the IRS had calculated that his father owed about \$137,000 in back taxes and penalties for the years

1978 through 1984. Interest would bring the total liability to about \$200,000, he said.

According to trial testimony, Chin received about \$180,000 from Chinese intelligence agents for classified information he got in his job at the CIA's Foreign Broadcast Information Service. He kept it in Hong Kong banks.

Although federal prosecutors suggested at his trial that Chin sold classified information to China because he needed money to pay gambling debts, the IRS has included unreported gambling income when calculating Chin's past tax liability, Homer Chin said.

IRS Agent Wilson McCarthy testified at Chin's trial that records showed Chin paid \$96,700 in gambling debts to casinos in 1976 through 1982.

Homer Chin said that when rental properties owned by his father and valued at \$700,000 were sold they would net less than \$100,000 because most of them were mortgaged.